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**MINISTRY OF FINANCE  
P. O. BOX MB 40  
ACCRA**

**REPUBLIC OF GHANA**

**, 2018**

**ALL HONOURABLE MINISTERS  
MINISTRIES/DEPARTMENTS/AGENCIES**

**2018 BUDGET IMPLEMENTATION INSTRUCTIONS**

Following the passage of the Appropriation Act, 2017, (Act 951) by Parliament, the Ministry has issued this Budget Implementation Instructions in accordance with the PFM Act 921, to guide all Ministers (Principal Account holders) and Chief Directors (Principal spending officers) in the implementation of the 2018 Budget.

2. The Instructions provide information on the procedures for the expenditures in relation to Compensation of Employees, Goods and Services and Capital Expenditures.
3. In line with the provisions in the Public Financial Management Act, 2016 (Act 921), colleague Ministers are kindly requested to note especially the following;

**a. Expiration of 2017 Budget**

Sub-Section 1 of Section 26, of Act 921 provides that each appropriation approved by Parliament shall cease to have effect at the close of the financial year in respect of which the appropriation was made. Consequently, the 2017 approved budget has expired.

**b. Compensation**

- i. The policy of Net recruitments is still in force for all MDAs except the Ministries of Education and Health;
- ii. With effect from January 2018, warrants will be issued at Cost Centre level every month to cover MDAs payroll expenditure.
- iii. It has become imperative to manage the non-salary related allowances, consequently, this Ministry is introducing validation processes at MDA level which will require the Internal Audit Units of MDAs to examine and validate all Compensation of Employees related claims before they are submitted to this Ministry. MDAs are required to decouple the non-salary allowance (Committee, Boards, etc.) from the mandatory ones (Car, motor, bicycle, etc.) when submitting requests for payment of non-salary related allowances.

**c. Capital expenditure**

In accordance with section 33 of Act 921, MDAs must first seek clearance from the Ministry of Finance for the implementation of all multi-year contract projects to

ascertain fiscal space and availability of funding for outer year commitments. This is to avoid over commitments, delayed payments of projects and arrears buildup.

**d. Issue of Purchase Order under the PFMA 921**

It is an offence to issue any purchase order outside the GIFMIS platform or any other electronic system in use by Government.

**e. Externally Financed Projects**

In view of our debt levels, there is limited space for external financing of the budget. However, other areas can be explored for infrastructure financing that will not directly impact on the public debt levels. This includes the use of Public Private Partnership (PPP), Build Operate Transfer (BOT) and other interventions. MDAs are advised to comply with the PPP Policy guidelines in all PPP situations.

**f. Internally Generated Funds**

MDAs are reminded to comply with the Earmarked Fund and IGF Capping Law and all regulations relating to the management of IGFs.

**g. Reporting**

Chief Directors are required to provide quarterly reports on budget implementation to this ministry for onward submission to Parliament in accordance with Section 30 subsection 3.g of Act 921. All State Owned Enterprises, are required by section 93 (1) of the Act 921 to submit a Financial Plan for the year through their Sector Minister to the Ministry of Finance.

4. For ease of reference, the 2018 Budget Implementation Instructions has been disaggregated as indicated below for the attention of all public officials especially Chief Directors, Heads of Institutions, Directors PPME and Directors of Budget and Finance as well as Internal Auditors.

- Compensation of Employees;
- Goods and Services;
- Capital Expenditure; and
- General Issues

5. For clarifications and further explanations, please call the following numbers 0501290134, 050407947, 0202030359, 0244811257.

6. Thank you.

**KEN OFORI-ATTA  
MINISTER**

Cc: The Executive Secretary to H. E  
The President, Jubilee House  
The Chief of Staff, Jubilee House  
The Hon. Deputy Ministers, MoF  
The Head of Civil Service  
The Head of Local Gov't Service  
All Chief Directors, MDAs  
The Director of Budget, MoF  
The Controller & Acct. General  
The Auditor-General  
All Heads of Dept./Agencies  
All Regional Co-ord. Directors  
All Directors of PPME  
All Regional Budget Officers